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Deployment of Wireline Services Offering Advanced Telecommunications Capability	) CC Do	cket No. 98-147
Implementation of the Local Competition Provisions of the Telecommunications Act of 1996	) ) ) CC Do )	cket No. 96-98
Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from Ameritech Corporation, Transferor to SBC Communications Inc., Transferee	) CC Do	cket No. 98-141
Common Carrier Bureau and Office of Engineerin and Technology Announce Public Forum on Competitive Access to Next-Generation Remote Terminals	g ) NSD-L ) DA 00- )	

# REPLY COMMENTS OF RCN TELECOM SERVICES, INC.

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#### SUMMARY

The Commission should grant the Association for Local Telecommunications Services ("ALTS") petition and clarify, interpret, and modify its rules governing crucial aspects of loop provisioning by incumbent local exchange carriers (ILECs). The record in this proceeding establishes that CLECs continue to experience burdensome and unnecessary delays during the provisioning process. This prevents them from entering the local telecommunications market in a timely manner, and providing American consumers with new services and lower prices. The Commission must act now to ensure that the pro-competitive, non-discriminatory goals of the Telcommunications Act of 1996 ("1996 Act") are met.

For these reasons, RCN Telecom Services, Inc. ("RCN") reiterates its supports for the ALTS petition. Specifically, RCN urges the Commission to require ILECs to provision UNEs contemporaneous with provisioning collocation. As discussed in these Comments, several ILECs to this proceeding currently allow contemporaneous provisioning, thereby showing that such practices are, in fact, feasible.

Furthermore, RCN reiterates its support for the establishment of national standards regarding the provision of loops. Both the Supreme Court and this Commission have recognized the FCC's jurisdiction over matters regarding the achievement of competition goals enunciated in the 1996 Act, including meaningful local competition. Accordingly, RCN urges the Commission to take an active role in promulgating its own standards and enforcement measures to ensure that local competition develops in all areas of the United States. The Commission is no stranger to performance standards and their usefulness. The Commission can draw upon the record created in its Section 271 dockets, its merger analysis dockets, as well as the record before the various state commissions that have crafted performance standards.

Finally, RCN emphasizes that there is broad agreement that the Commission should establish federal penalties for an ILEC's failure to comply with provisioning rules. Therefore, RCN reiterates its support for federal penalties and suggests that penalties could consist of the waiver of some, or all, non-recurring charges related to the provisioning of collocation space and UNEs, and that penalties could be structured to increase in relation to the length of delay. Also, RCN encourages the Commission to make enforcement of penalties a priority for the newly formed Enforcement Bureau, or, alternatively, permit states to enforce these penalties

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# REPLY COMMENTS OF RCN TELECOM SERVICES, INC.

RCN Telecom Services, Inc. ("RCN"), by undersigned counsel and pursuant to the Commission's *Public Notice* (dated May 24, 2000), submit these Reply Comments supporting the "Association for Local Telecommunications Services Petition for Declaratory Ruling: Broadband Loop Provisioning" ("*ALTS Petition*"). Initial comments demonstrate that the Commission should grant the ALTS Petition and clarify, interpret, and modify its rules governing crucial aspects of loop provisioning by incumbent local exchange carriers ("ILECs").

# I. INTRODUCTION

In its initial comments, RCN expressed strong support for the ALTS Petition. As an emerging facilities-based competitive local exchange carrier ("CLEC"), RCN has a vital interest in the Commission's rules and policies governing loop provisioning. The comments submitted in response to the ALTS Petition confirm that meaningful local competition between incumbent local exchange carriers ("ILECs") and CLECs has not yet been achieved, and cannot be achieved without the Commission's assistance.

In many instances, ILECs prevent CLECs from procuring loops in a timely and efficient manner. These delays pose significant market harms and barriers to entry into the telecommunications market to CLECs. Moreover, these delays are contrary to the procompetitive, non-discriminatory goals of the Telecommunications Act of 1996 ("1996 Act").

Also, a well-developed record has been produced in this proceeding as to the need for national standards for loop provisioning. As one commenter notes, nearly four years after the enactment of the Telecommunications Act of 1996, loops provided by incumbent LECs to competitors as unbundled network elements constitute less than one percent of total switched lines. The data indicates that we are not that much closer to the goal of viable, facilities-based local competition as we were four years ago. RCN emphasizes in these reply comments that national standards for timely loop provisioning are not only desirable, but vital. Accordingly, RCN reiterates its support for loop provisioning standards. Furthermore, the establishment of federal penalties for ILEC noncompliance with loop provisioning rules and policies is necessary and proper.

<sup>&</sup>lt;sup>1</sup> See Comments of the Association of Communications Enterprises ("ASCENT") at 3.

# II. THE COMMISSION MUST REQUIRE ILECS TO PROVISION UNES CONTEMPORANEOUS WITH PROVISIONING COLLOCATION

In its initial comments, RCN urged the Commission to establish rules requiring ILECs to allow CLECs to order collocation and UNEs at the same time. The record before the Commission supports the imposition of such rules. For instance, SBC states that it allows CLECs to place orders for UNEs prior to completion of their collocation arrangement.<sup>2</sup> Similarly, US West pre-provisions firm orders for private transport services to and from CLEC collocation arrangements prior to the collocation arrangement being ready-for-service.<sup>3</sup> These practices, although less expansive than what is necessary, show that contemporaneous provisioning is feasible. With the establishment of such rules, CLECs will be able to rollout their services in a timely manner, which will promote the pro-competitive goals of the 1996 Act.

Bell Atlantic, on the other hand, argues that it cannot process a CLEC's order for transmission facilities from a collocation cage unless the order indicates the termination points for those facilities, and that the termination point cannot be determined until the CLEC's collocation arrangement has actually been installed and its connecting facilities have been inventoried. Bell Atlantic believes that to try to predict the ultimate termination point before a facility installation is complete would be a "waste of time" because as CLECs reconfigure their equipment during installation, the final designation of the termination point often changes. As noted above, the record establishes that contemporaneous provisioning is, in fact, allowed by

<sup>&</sup>lt;sup>2</sup> See Comments of SBC Communications Inc. ("SBC") at 6.

<sup>&</sup>lt;sup>3</sup> See Comments of US WEST Communications, Inc. ("US WEST") at 8. US WEST also provisions administrative lines to a CLEC collocation before the collocation is "lit." *Id.* 

<sup>&</sup>lt;sup>4</sup> See Comments of Bell Atlantic at 14.

<sup>&</sup>lt;sup>5</sup> *Id*.

other ILECs. Moreover, changes in termination points are not as common as Bell Atlantic suggests. CLECs who are anxious to rollout services will not change their termination points when they know that their order for transmission facilities has already been processed. In addition, the CLEC would bear the risk and delay of any such changes.

Furthermore, Bell Atlantic's position is inconsistent with the non-discriminatory goals of the 1996 Act. Even if CLECs change a final termination point during the provisioning process, the inconvenience posed to ILECs is not comparable to the market harms suffered by CLECs when they finish collocation and then experience delays in obtaining UNEs. ILECs have the advantage of being able to plan and rollout services without incurring any delays, and CLECs should have this same opportunity. Accordingly, changes in termination points are not a sufficient reason to not require simultaneous provisioning of collocation and UNEs.

# III. NATIONAL STANDARDS REGARDING THE PROVISION OF LOOPS

ALTS' request for the FCC to establish national loop provisioning standards has been supported by thirty parties in this proceeding.<sup>6</sup> As expected, the ILECs are unified in their

<sup>&</sup>lt;sup>6</sup> See Joint Comments of @Link Networks, Inc., Connect Communications Corp. and Waller Creek Communications, d/b/a Pontio Communications Corp.; Comments of Allegiance Telecom ("Allegiance"; Comments of AT&T Corp.; Comments of BlueStar Communications, Inc. ("BlueStar"); Joint Comments of CoreComm Inc., MGC Communications, Inc. d/b/a MPower Communications Corp., and Vitts Network, Inc.; Comments of Covad Communications Company; Joint Comments of CTSI, Inc., Network Plus, Inc., and Network Telephone Corporation; Comments of DSL.net Communications, LLC; Comments of Focal Communications Corp. ("Focal"); Comments of Jato Communications Corp. ("Jato"); Joint Comments of KMC Telecom, Inc., NewSouth Communications, Inc., and NextLink Communications, Inc. (collectively, the "KMC Joint Comments"); Comments of McLeodUSA Telecommunications Services, Inc.; Comments of Network Access Solutions Corp. ("NAS"); Comments of Prism Communications Services, Inc.; Comments of RCN Telecom Services, Inc.; Rhythms NetConnections Comments ("Rhythms"); Comments of Teligent, Inc.; Comments of Time Warner Telecom ("Time Warner"); Comments of WorldCom, Inc.; Comments of the Competitive Telecommunications Association; Comments of ASCENT; Comments of the Competition Policy Institute.

opposition to national standards.<sup>7</sup> They argue that ALTS is urging this Commission to usurp a role that is "properly one for the State commissions to perform." As set forth below, however, both the Supreme Court and this Commission have recognized the FCC's jurisdiction over matters regarding the achievement of competition goals enunciated in the 1996 Act, including meaningful local competition. Furthermore, as set forth below, the ILECs incorrectly argue that national standards are impractical, and that state standards are sufficient.

# A. The Supreme Court and the FCC Have Recognized Commission Authority to Implement National Standards

In *AT&T Corporation v. Iowa Utilities Board*, the Supreme Court recognized that "§ 201(b) explicitly gives the FCC jurisdiction to make rules governing matters to which the 1996 Act applies." Significant to this proceeding, the Court found that the FCC has rulemaking authority to "carry out the 'provisions of this [Communications] Act,' which include §§ 251 and 252, added by the Telecommunications Act of 1996." Unbundled access to network elements such as the loop fall squarely within section 251 of the Act.<sup>11</sup>

Furthermore, this Commission has noted that it may adopt federal regulations that, among other things, facilitate the administration of sections 251 and 252 of the 1996 Act, remedy significant imbalances in bargaining power, and establish minimum requirements necessary to

<sup>&</sup>lt;sup>7</sup> See Comments of Bell Atlantic at 11; Comments of GTE at 6; Comments of US WEST at 2; Comments of SBC at 22.

<sup>&</sup>lt;sup>8</sup> See Comments of Bell Atlantic at 2.

<sup>&</sup>lt;sup>9</sup> AT&T Corporation v. Iowa Utilities Board, 525 U.S. 366, 380 (1999)("Iowa Utilities Board").

<sup>&</sup>lt;sup>10</sup> *Id.* at 378.

<sup>&</sup>lt;sup>11</sup> 47 U.S.C. § 251(c)(3).

implement the nationwide competition that Congress sought to establish.<sup>12</sup> While it is true, as the ILECs note, that this Commission has heretofore refrained from implementing federal performance standards, the decision was not, as Bell Atlantic asserts, based on any intent to leave the establishment of performance standards solely to the states.<sup>13</sup> To the contrary, the FCC postponed consideration of performance standards until it has the opportunity to review actual performance data over a period of time.<sup>14</sup>

RCN believes that the time has now arrived for the Commission to revisit the performance standard issue. The intervening two years since the issuance of the *Performance Measurement Order* has seen the development of a more than sufficient record from which the Commission can craft standards. As the Commission predicted, many states have implemented performance standards. The Commission itself has relied on performance data to evaluate Section 271 applications, and has noted that "performance measurements are an especially effective means of providing us with evidence of quality and timeliness of the access provided by a BOC to requesting carriers." Also, the Commission will utilize performance standards to ensure that SBC Communications, Inc.'s ("SBC") operations in Texas demonstrate "continued"

<sup>&</sup>lt;sup>12</sup> In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, First Report and Order, FCC 96-325, ¶ 41 (1996)("Local Competition Order").

<sup>&</sup>lt;sup>13</sup> See Comments of Bell Atlantic at 3-4.

<sup>&</sup>lt;sup>14</sup> In the Matter of Performance Measurements and Reporting Requirements for Operations Support Systems, Interconnection, and Operator Services and Directory Assistance, CC Docket No. 98-56, 13 FCC Red. 12817 at ¶ 125 (1998)("Performance Measurement Order").

<sup>&</sup>lt;sup>15</sup> See Coments of Bell Atlantic at pp. 6-9.

<sup>&</sup>lt;sup>16</sup> In the Matter of Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 to provide In-Region, InterLATA Services in Texas, CC Docket No. 00-65, FCC 00-238 at ¶ 53 (June 30, 2000)("SBC 271 TX Order").

compliance with statutory requirements."<sup>17</sup> The Commission used performance standards to determine that Bell Atlantic failed to adhere to statutory requirements in regard to its operations in New York. <sup>18</sup>

Furthermore, in the *SBC/Ameritech Merger Order*, this Commission established a self-executing compliance mechanism tied to objective performance standards to monitor SBC/Ameritech's compliance with merger conditions.<sup>19</sup> The Commission noted the importance of such standards in furthering the goals of the 1996 Act by noting:

[T]he Carrier-to-Carrier Performance Plan also partially alleviates the Applicants' increased need and incentive to discriminate against rivals following the merger. By requiring the merged firm to report results of 20 performance measures, and achieve the agreed-upon standard or voluntarily make incentive payments, the plan provides heightened incentive for the company not to discriminate in ways that would be detected through the measures. Competing carriers operating in or contemplating entry into SBC/Ameritech territory will have an measure of confidence that the company will not engage in discrimination that would be detected through such measures. If the results reveal unequal treatment, the voluntary payment scheme, as NorthPoint notes, will 'create a direct economic incentive for SBC/Ameritech to cure performance problems quickly.'<sup>20</sup>

<sup>&</sup>lt;sup>17</sup> SBC 271 TX Order at ¶ 436.

<sup>&</sup>lt;sup>18</sup> Bell Atlantic-New York, Authorization Under Section 271 of the Communications Act to Provide Inregion, InterLATA Service in the State of New York, File No. EB-00-IH-0085, Order, FCC Rcd 5413 (2000). The Commission noted how its quick response, in conjunction with the New York Public Service Commission, when Bell Atlantic developed performance problems, helped alleviate the problem. SBC 271 TX Order at ¶ 436, fn. 1278.

<sup>&</sup>lt;sup>19</sup> See, e.g., In Re Applications of Ameritech Corp., Transferor, and SBC Communications, Inc., Transferee, For Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Sections 214 and 310(d) of the Communications Act, Memorandum Opinion and Order, FCC 99-279, ¶ 406 (rel. October 8, 1999)("SBC/Ameritech Merger Order").

 $<sup>^{20}</sup>$  *Id.* at ¶ 432.

In fact, SBC cites its agreement to these performance measures as a way to monitor and address any discrimination.<sup>21</sup> SBC fails to see the full implications of its argument. SBC cites to the performance measures to which it is subject as an example of how the *status quo* is working. However, this "*status quo*" is not in effect throughout the United States. This "*status quo*" of FCC-implemented performance standards coupled with self-executing penalties only operates in states and companies covered by FCC merger conditions or the states where Section 271 authority has been granted. It does not apply, for instance, in Bell South or US WEST states. SBC's reference, however, to the utility of performance measures is telling in many respects. It shows that federally-imposed performance standards are utilized in certain regions of the U.S. and are very useful. The key then is to expand the use of the performance standards across the U.S.<sup>22</sup>

#### B. National Standards Are Practical

The ILECs argue that national standards are impractical due to variations among ILECs.<sup>23</sup> RCN believes that the "one size does not fit all" argument is a tired argument that offers no basis for not establishing national standards.<sup>24</sup> One size does fit all, at least, as far as the major ILECs are concerned. As the Commission has noted, "the major incumbent LECs (RBOCs and GTE), because they are of similar size and face similar statutory obligations and

<sup>&</sup>lt;sup>21</sup> See Comments of SBC at 26.

<sup>&</sup>lt;sup>22</sup> It is also telling that the performance standards in the *SBC/Ameritech Merger Order* are not state-specific. SBC seems to have no problem with "one size fits all" standards in this context.

<sup>&</sup>lt;sup>23</sup> See Comments of GTE at 8 and 14; Comments of Bell Atlantic at 5; Comments of SBC at 20-21.

<sup>&</sup>lt;sup>24</sup> See Comments of Bell Atlantic at 5, 8-10; Comments of SBC at 20-21, 24.

market conditions, remain uniquely valuable benchmarks for assessing each other's performance." <sup>25</sup>

The ILECs merely resurrect arguments that there are intrinsic differences in their underlying incumbent networks and systems that have already been rejected by the Commission. The Commission has noted that that "courts, federal and state regulators, and competitors have consistently recognized comparative practices analysis as a crucial tool, and have employed such analyses, to set industry standards and policy, detect discriminatory behavior, and promote competition." As the Commission adds, "comparing the practices of several major incumbent LECs has enabled the Commission to determine whether an individual incumbent's claim concerning technical feasibility is warranted, or to monitor service quality with a minimum regulatory intervention." The Commission notes that it has "employed best-practices' benchmarking in implementing the local competition provisions of the 1996 Act," for example noting that it found "that successful interconnection at a particular level of quality in one LEC's network is substantial evidence of the feasibility of interconnection at the same level of quality in another LEC's network." Thus, national standards are not only feasible, but provide a valuable frame of reference.

 $<sup>^{25}</sup>$  See SBC/Ameritech Merger Order at  $\P$  103.

<sup>&</sup>lt;sup>26</sup> See SBC Comments at 21.

<sup>&</sup>lt;sup>27</sup> See SBC/Ameritech Merger Order at ¶ 125.

 $<sup>^{28}</sup>$  Id. at ¶ 130. Ironically, the RBOCs used to be fervent supporters of benchmarking when they argued for the lifting of line-of-business restrictions arguing that the lifting of such restrictions was justified because the performance of one RBOC could be measured against that of the six others. Id. at ¶ 126.

 $<sup>^{29}</sup>$  *Id.* at ¶ 131.

<sup>&</sup>lt;sup>30</sup> For all its posturing about capabilities being ILEC and time-specific, SBC, in its Section 271 application for Texas, utilized performance yardsticks set for Bell Atlantic in New York to support its

Comparative analysis proves to be quite helpful in the context of issues raised in this proceeding. For instance, as ALTS noted, the most common ILEC explanation for sequential imposition of provisioning periods is that no orders can be entered into their systems unless identified by a Carrier Facility Assignment ("CFA") number.<sup>31</sup> Thus, ILECs require that collocation be completed before loop orders can be accepted. NEXTLINK notes, however, that it convinced one ILEC to accept loop orders before collocation delivery dates after both sides concluded that the CFA could be assigned 15 days before the collocation delivery date. This shortened the delivery interval for the loops.<sup>32</sup> Thus, comparative analysis can demonstrate practices that are feasible for ILECs, and help devise ways to expedite delivery of services to the CLEC.

The Commission, however, does not have to rely solely on a "best of class" approach. As this Commission has noted, "just as best-practices benchmarking forms the foundation for the Commission's analysis of technical feasibility and collocation issues, average-practices benchmarking is the Commission's primary tool for monitoring service quality and detecting unreasonable or discriminatory cost or practices." Thus, a combination of these comparative approaches would help the Commission promulgate standards that address differences in ILEC-capabilities while at the same time not diluting the standards. National standards would provide a national baseline to ensure that not only CLECs operating in Kansas get comparable service quality to CLECs in New York, but more importantly, that consumers of ILECs and CLECs in

application. See, e.g., CC Docket 00-65, Reply Brief in Support of Supplemental Application of Southwestern Bell, p. 4.

<sup>&</sup>lt;sup>31</sup> See ALTS Petition at 9.

<sup>&</sup>lt;sup>32</sup> See Joint Comments of KMC at 7-8.

<sup>&</sup>lt;sup>33</sup> See SBC/Ameritech Merger Order at ¶ 134.

those states and others get comparable service. As Rhythms Netconnections, Inc. notes, "a maximum loop provisioning interval will ensure customers in Montana and Oregon can receive loops in the same timeframe as consumers in Texas."

Bell Atlantic's claim that "an incumbent operating in the mountains of West Virginia clearly faces different operational challenges and local conditions than an incumbent operating in the plains of Iowa or on the crowded streets of New York City" is belied by its own statement that the Vermont Department of Public Service and Bell-Atlantic-Vermont have jointly recommended to the Vermont Public Service Board that it adopt the New York carrier-to-carrier performance standards. Thus, Bell Atlantic believes that the same standards are applicable to these very different areas. Bell Atlantic believes that an inn-keeper operating a small inn in rural Vermont should be receiving the same quality of service as a Manhattan-based conglomerate. RCN agrees, and thus reiterates its call for national standards. The state of Texas is so vast that SBC will face different conditions in providing loops in downtown Dallas as opposed to a ranch in some other part of the state. Yet, the same standards apply. Accordingly, there is no reason that national standards cannot be implemented.

# C. Disparate State Standards Are Not Enough

The ILECs cite a laundry list of states that have implemented performance standards and argue that these standards are sufficient.<sup>36</sup> RCN applauds the states that have implemented performance standards and cite this as a perfect indication of the large record from which the

<sup>&</sup>lt;sup>34</sup> See Comments of Rhythms at 4.

<sup>&</sup>lt;sup>35</sup> See Comments of Bell Atlantic at 5 and 8.

<sup>&</sup>lt;sup>36</sup> See Comments of Bell Atlantic at 6-8; Comments of SBC at 23.

Commission can craft standards. The standards, however, are not uniform, and the disparity in the standards mean that customers in differing states are not getting comparable service.

The danger of a state-specific approach is seen in the context of SBC Section 271 Texas proceeding's consideration of hot cuts. The goal in this evaluation was to determine if the ILEC's provision of hot cuts is providing a meaningful opportunity to compete.<sup>37</sup> The Commission noted that differences in performance standards make direct comparison with the performance discussed in prior orders difficult, if not impossible.<sup>38</sup>

The proceeding, which commenced in January, at various times had three different standards for hot cuts in play – the performance metrics utilized by the New York Public Service Commission ("NYPSC"), the standards adopted by the Commission in its *Bell Atlantic New York Order*, 39 and the performance metrics utilized by the Texas Public Utility Commission ("Texas PUC"). For instance the Texas PUC utilized a provisioning benchmark that required 100% of orders of 24 lines or fewer to be completed within two hours, while the FCC required that 90% of hot cut orders of fewer than ten lines be completed within one hour. 40

An overabundance of standards provides an opportunity for manipulating what the data shows. Initially, SBC had been arguing that it met performance standards in regard to hot cuts but only by using a "mix and match" approach to the standards. For instance, it wanted the Commission to use the Texas PUC's two-hour completion interval, but not the 100% on-time

 $<sup>^{37}</sup>$  See SBC TX 271 Order at ¶ 258.

 $<sup>^{38}</sup>$  *Id.* 

<sup>&</sup>lt;sup>39</sup> See In the Matter of Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of New York, FCC 99-404, CC Docket 99-295, Memorandum Opinion and Order (December 22, 1999).

<sup>&</sup>lt;sup>40</sup> SBC TX 271 Order at ¶ 262.

performance standard for that interval. Instead, it sought to continue use of the 90% standard that Bell Atlantic used coupled with the much longer time frame.<sup>41</sup>

Ultimately, SBC finally showed that it could disaggregate its data such that an evaluation can be made under the same standards utilized in the *Bell Atlantic New York Order*, and the Texas PUC spent much of its analysis reflecting the data through the standards of the *Bell Atlantic New York Order*.<sup>42</sup> The Commission ended up evaluating SBC's hot cut performance under the interval it established in the *Bell Atlantic New York Order*.<sup>43</sup> In fact, the Texas PUC is revising its hot cut interval, and the new interval is strikingly similar to the one in the *Bell Atlantic New York Order*.<sup>44</sup>

This Commission recently recognized the value in a prompt "coordinated two-pronged enforcement response when Bell Atlantic developed performance problems." This Commission also is quite confident that "cooperative state and federal oversight and enforcement can address any backsliding that may arise with respect to SWBT's entry into the Texas long distance market." Clearly the Commission recognizes that it needs to take a pro-active role in conjunction with the states. Thus, this Commission needs to take an active role in promulgating

<sup>&</sup>lt;sup>41</sup> CC Docket 00-65, April 26, 2000 Supplemental Comments of AT&T Corp. at p. 36 ("AT&T SBC 271 Comments").

<sup>&</sup>lt;sup>42</sup> See, generally, CC Docket 00-65, April 26, 2000 Evaluation of the Public Utility Commission of Texas.

<sup>&</sup>lt;sup>43</sup> *Id.* at ¶¶ 263-264.

<sup>&</sup>lt;sup>44</sup> *Id.* at ¶ 263, fn. 744.

<sup>&</sup>lt;sup>45</sup> SBC 271 TX Order at ¶ 436, fn. 1278.

<sup>&</sup>lt;sup>46</sup> SBC 271 TX Order at ¶ 436.

its own standards and enforcement measures to ensure that local competition develops in all areas of the U.S., and not just in the most lucrative markets.

# IV. ADOPTION OF FEDERAL PENALTIES FOR ILEC NONCOMPLIANCE IS SUPPORTED BY THE RECORD

There is broad agreement that the Commission should establish federal penalties for an ILEC's failure to comply with provisioning rules.<sup>47</sup> RCN supports the suggestion of Network Access Solutions Corporation, that the Commission should use the process by which monetary forfeitures may be levied under §1.80 of the Commission's Rules to assess forfeitures for violation of the provisioning requirements established in this proceeding.<sup>48</sup>

Furthermore, RCN reiterates its suggestion that penalties could consist of the waiver of some, or all, non-recurring charges related to the provisioning of collocation space and UNEs, and that penalties could be structured to increase in relation to the length of delay. Also, RCN encourages the Commission to make enforcement of penalties a priority for the newly formed Enforcement Bureau, or, alternatively, permit states to enforce these penalties.

# V. CONCLUSION

As demonstrated herein, the ALTS Petition received broad support and should be granted by the Commission. Meaningful local competition between ILECs and CLECs envisioned by Congress when it passed the 1996 Act does not exist, and will not exist, without the Commission's assistance. RCN believes that ILECs must be required to provision collocation and UNEs contemporaneously. Furthermore, despite the ILEC assertions to the contrary, there is

<sup>&</sup>lt;sup>47</sup> See Comments of ASCENT at 10; Comments of Rhythms at 11; Joint Comments of KMC at 20; Comments of Jato at 7; Comments of Focal at 7-8; Comments of Time Warner at 12; Comments of NAS at 14; Comments of Allegiance at 16; Comments of BlueStar at 8; Comments of Prism Communications Services, Inc. at 11.

<sup>&</sup>lt;sup>48</sup> See Comments of NAS at 14.

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a clear need for national standards. RCN urges the Commission to act now and establish performance standards that further the goals of the 1996 Act. Finally, the establishment of federal penalties for ILEC noncompliance with rules and policies established in this proceeding is necessary and proper.

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# **CERTIFICATE OF SERVICE**

I, Candise M. Pharr hereby certify that on this 10<sup>th</sup> day of July 2000, copies of the foregoing Reply Comments of RCN Telecom Services, Inc. were delivered by hand and First Class Mail to the persons listed on the attached list.

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